

Lyft Statement to House Commerce and Trade Committee
June 2, 2015

My name is April Mims and I am a representative of Lyft. On behalf of thousands of users utilizing Lyft in the state of Michigan, I want to thank this Committee for recognizing the benefits of ridesharing platforms and holding this hearing to review HB 4637, which was introduced by Rep. Kelly. Lyft strongly supports this legislation, because we believe it will allow ridesharing to advance throughout Michigan and prevent a patchwork quilt of regulations across the state that confuse consumers and make it difficult for this new technology to be successful.

Lyft is a mobile ride-sharing application that connects people with efficient, friendly and safe drivers in their community. Lyft launched in Detroit and Ann Arbor in March and April, respectively, of last year because we recognized that Michigan is a place that welcomes new technology and innovation. Since launching, we've built a ridesharing movement in Michigan made up of folks, like grad students, nurses, teachers, and entrepreneurs. For the first time these people feel comfortable leaving their car at home or giving a neighbor a ride on their way to work. We've built this safe and consumer-friendly network at zero cost to the government or the taxpayer.

So why is HB 4637 important to advance ridesharing platforms like Lyft? This bill creates comprehensive ridesharing policy that will keep consumers safe and allow this new technology to grow in Michigan. This bill requires all drivers to be background checked, all vehicles to be inspected, and all TNC or TNC drivers to carry commercial insurance that protects consumers. Without HB 4637, Michigan is opening the door for complicated and inconsistent ridesharing laws to be adopted in cities that are only a short drive away from one another. Many states have already addressed this concern and adopted a state TNC law. As of this week, at least 19 states have adopted laws to regulate this new technology at the state level, and more states will follow suit before the 2015 legislative session ends.

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So please consider advancing HB 4637. This bill will create a regulatory framework that will allow Lyft to continue to utilize leading background check experts and the latest technology to connect users to safe, affordable and friendly transportation options. These regulations will save the state a substantial amount in administrative costs and ensure that Michigan residents have access to the safest and most consumer-friendly transportation experience.

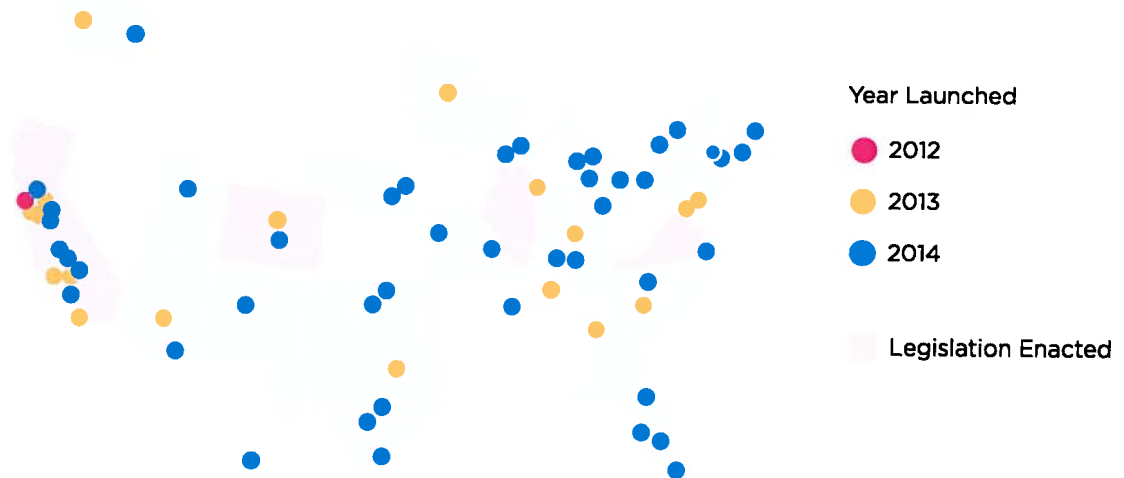
Thank you for your commitment to ridesharing to the people of Michigan.

What is Lyft?

Lyft introduced on-demand ridesharing – a friendly, safe, and affordable transportation option that fills empty seats in passenger vehicles already on the road by matching drivers and riders via a smartphone application.

First launched in San Francisco in 2012, Lyft now matches over 2M rides per month across 60+ cities from San Diego to Boston.

Staying true to our initial vision and long-term goal, the 2014 launch of our latest innovation – Lyft Line – enables multiple parties traveling separately to be matched with a common driver in real-time in a way that maximizes route and fuel efficiency. At the same time, drivers can indicate their intended destination before accepting a ride request to maximize vehicle occupancy during incidental rides.



"This is an exciting moment for Los Angeles as we work to embrace technology to improve our transportation options and save people money. This decision allows new, cost-effective solutions while protecting public safety through common sense regulations."

Mayor Eric Garcetti
(Los Angeles)

"There are all these [collaborative consumption] companies starting up. It's actually helping all of us enter a world of entrepreneurial interaction in a way that is so democratic that **people are now given the tools to control their economic destiny.**"

Senator Cory Booker
(New Jersey)

"Emerging transportation options such as Lyft present a real opportunity for our evolving transportation ecosystem to more efficiently serve residents and visitors to Massachusetts alike."

Governor Charlie Baker
(Massachusetts)

"As new transportation services like Uber and Lyft emerge, legislation is needed to welcome entrepreneurial opportunities. We can provide uniform and predictable pathways to conduct business in Michigan and provide employment opportunities for Michigan residents."

Michigan State House Republicans
(2015 Action Plan)

Impact

for Drivers

- **Drivers earn meaningful, supplemental income** — a recent survey shows 66% of driver earnings are used to cover primary expenses like food, housing, and medical expenses.
- **Drivers benefit from an extremely flexible schedule that adjusts in real-time to their personal obligations and availability.** 95% of drivers feel flexible hours are very/extremely important.
- **This combination of income and flexibility has empowered many Lyft drivers to start or maintain their own business.** In a recent survey, over 25% of drivers also own a business and 70% of those business owners say earnings from Lyft driving allow them to continue operating their business.
- **Drivers and passengers often make lasting connections.** In fact, 3 out of 5 drivers say they get matched with a neighbor at least once a week and more than half say a ride resulted in a professional or business connection.

for Passengers

- **Passengers benefit from additional transportation options,** especially when public transit is not available or does not service an area of interest. Lyft passengers in California saved 2.7 million hours in 2014 compared to their alternate mode of transportation.
- **Passengers say that because of Lyft,** they are more likely to travel on their own schedule (80%), avoid the hassle of parking (81%), spend less time commuting (68%), and feel empowered to visit areas of their city that are not easily accessible (63%).
- **Passengers often use Lyft** for commuting, errands, medical appointments, and connecting to public transportation. Recent analysis shows that over 20% of Lyft rides in Silicon Valley start or end at a Caltrain station.
- **Cashless transactions** enhance safety for passengers as well as drivers. 94% of passengers agree that Lyft's transaction is safer and more convenient than cash.

for Communities

- **78% of passengers** spend more money and frequent local businesses more because of Lyft. A recent economic study estimated Lyft added over \$150 million dollars to the San Francisco and Los Angeles economy in 2014.
- **Passengers chose** to travel more safely. Over 90% of passengers feel they are more likely to avoid driving while impaired because of Lyft.
- **Lyft helps cities** develop transportation plans that appeal to a growing demographic of carless households by providing convenient, scalable, on-demand transportation while increasing vehicle occupancy, decreasing traffic congestion, and reducing greenhouse gas emissions. In a recent survey, more than half of passengers said they use a personal vehicle less because of Lyft and 40% said they were more likely to avoid owning a personal vehicle entirely.

Trust & **Safety**

Consumers want safer transportation. The Lyft platform was designed with a holistic approach to safety. A wide range of innovative features keep both drivers and passengers feeling confident, informed, and accountable at all times.

CONFIDENT

- 19-Point vehicle inspections
- Criminal background check
- Driving record check
- Age 21 or older
- Valid U.S. driver license with at least 1 year of driving history

TRANSPARENT

- In-app photo identification
- In-app vehicle photo and license plate
- GPS vehicle tracking
- Trip summary sent to passenger email
- Anonymized voice and text connection for driver/passenger while matched
- Cashless payment transaction

ACCOUNTABLE

- 24/7 Trust & Safety Team
- Zero-tolerance drug and alcohol policy
- 2-way ratings after each completed ride
- Automatic review of rides ending in low ratings
- Automatic off-boarding of drivers with low ratings
- Automated lost and found center

97%

of passengers feel
Lyft has high safety
standards³

Driver Background Checks

Every driver who applies to become a part of the Lyft community is screened for criminal offenses and driving incidents.

Each background check includes:



A social security number verification — searches against a database of over 400 different sources such as major credit headers, property deeds/mortgages, vehicle registrations, licenses and permits, US Postal Mail Forwarding Service, utility company billing records, and other resources where the individual has used the social security number along with a name and an address. This search generates a history of past and present addresses and a list of names associated with those addresses, including aliases, maiden names, nicknames and names misspelled or variously transliterated across languages.



An enhanced nationwide criminal search — searches against hundreds of millions of records collected from all over the country, including state Department of Corrections, most wanted lists, and outstanding warrants and arrest records as a part of SterlingBackCheck criminal background screening services.



County court records — a direct search of criminal records from courts within any U.S. counties that the prior searches have identified as linked to the applicant. This search reveals any felony or misdemeanor cases and their final outcome, or current status if the matter is still pending.¹



Federal criminal court records — This search identifies criminal case details and outcomes from any of the 94 U.S. federal district courts.



U.S. Department of Justice 50-state sex offender registry search — searches the Federal Department of Justice (DOJ) Sex Offender Registry which includes real-time listings of registered sex offenders and other violent offenders in all 50 states.²



Background Check

screens for:

- Violence
- Sexual Offenses
- Theft
- Property Damage
- Felonies
- Drug-related Offenses



Driving Record Check

- Age 21+ with 1 year or more of driving history
- Valid personal auto insurance that meets or exceeds state requirements
- NO more than three minor violations in the past 3 years
- NO major violations in the past 3 years (e.g. reckless driving, no insurance)
- NO severe violations in the past 7 years (e.g. DUI, extreme speeding)

¹Only the most recent 7 years of criminal conviction records are reviewed for convictions recorded in CA, CO, KS, MA, MD, MT, NH, NM, NV, NY, TX, & WA.

²except Nevada, which currently has an injunction in place.

Driver **Profile & Standards**

Driver Standards

Drivers undergo a rigorous screening process prior to approval and high standards are enforced via real-time passenger ratings after each ride.

National Statistics



1 in 4 driver applicants are approved



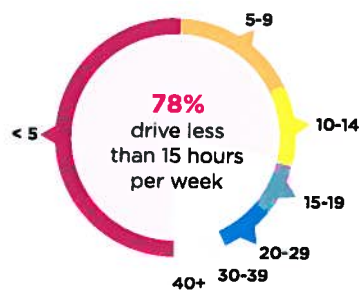
77% of passengers submit feedback on the quality of their ride



Automatic review of driver ratings

Driver Snapshot

AVERAGE WEEKLY HOURS



PEACE OF MIND



66% of Lyft earnings are used for primary expenses

The Lyft Driver Community is:

ENTREPRENEURIAL

OPEN

25% own a business

CREATIVE

40% are in creative professions

AMBITIOUS



86% have jobs or seeking employment

10% are students

DIVERSE



EXPERIENCED



92% are at least 25 years old

Zero Tolerance Policy

ISSUE IDENTIFICATION

Passengers are encouraged to call or email Lyft Support if they suspect a driver is under the influence of drugs or alcohol.

Lyft will immediately suspend the driver's access to the app pending an investigation.

Lyft also actively monitors passenger feedback for indicators of a zero tolerance policy violation.

Less than 0.004% of Lyft rides to date have resulted in zero tolerance investigations.



FEEDBACK MONITORING

Lyft automatically monitors passenger feedback for keywords that may indicate a violation of the zero tolerance policy. The Lyft Trust & Safety team reviews concerning comments. If a violation of the zero tolerance policy is suspected, the driver is suspended while the Trust & Safety team conducts an investigation.

The monitoring parameters are intentionally broad to ensure that Lyft errs on the side of caution. For example, passenger feedback containing the phrase "drug store" would trigger a Trust & Safety review because the word "drug" was used.

As a result, the overwhelming majority of the monitoring alerts prove to be non-actionable.

INVESTIGATION AND CONCLUSION

In the course of a zero tolerance investigation, Lyft will contact the passenger for further details relating to a suspected zero tolerance policy violation.

Prior passengers of a driver under investigation will be contacted if necessary.

If an investigation results in definitive evidence or even a strong suspicion of a zero tolerance policy violation, the driver will be permanently deactivated.

Insurance Overview

Insurers across America are moving quickly to respond to consumer demand and bring new ridesharing insurance products to market. Lyft currently provides strong insurance coverage at all parts of a ride to ensure a safe trip.

How Do Lyft's Policies Work?

The subject of insurance can be a complicated one, but it's important to know how and when Lyft's policies work in the event of an incident. The following is an overview of how Lyft's insurance policies work. There are four coverages included. Unless otherwise noted, these coverages are in effect from the time a driver accepts a ride request until the time the ride has ended in the app.

- Commercial Automobile
- Contingent Liability (coverage only when available to accept a ride request)
- Contingent Comprehensive & Collision
- Uninsured/Underinsured Motorist (UM/UIM)

LYFT INSURANCE OVERVIEW



Driver Personal Policy	Contingent Liability	Commercial Auto Liability & UM/UIM
	up to \$50K/person (Bodily Injury)	up to \$1M/occurrence (Bodily Injury)
	up to \$100K/accident (Bodily Injury)	
	up to \$25K/accident (Property Damage)	Contingent Collision & Comprehensive
		up to \$50K/accident (\$2,500 deductible)

How Does Lyft's Liability Coverage Work?

Lyft's liability insurance is designed to act as the primary coverage from the time drivers accept a ride request until the time the ride has ended in the app unless modified by city or state specific requirements. Note: *If a driver has commercial insurance, Lyft's policy remains excess.*

Here's how it works:

- **DRIVER MODE OFF**
A driver's personal insurance is the insurance policy.
- **DRIVER MODE ON BUT NOT YET ACCEPTED A RIDE**
Lyft provides Contingent Liability protection if personal insurance doesn't.
- **RIDE REQUEST ACCEPTED THROUGH THE END OF LYFT RIDE**
Lyft's liability coverage is primary to a driver's personal insurance. It's designed to cover a driver's liability for property damage and bodily injury of passengers and/or third parties.

How Does Contingent Liability Coverage Work?

Lyft's contingent liability coverage is designed to provide coverage **when the app is in Driver Mode before a driver receives a ride request** in the event personal insurance does not respond (unless modified by region-specific requirements). The policy has a \$50,000 maximum per person, \$100,000 maximum per accident, and a \$25,000 maximum for property damage. There is **no deductible** under this policy.

How Does Contingent Collision Coverage Work?

Lyft's contingent collision coverage is designed to cover physical damage to a driver's vehicle resulting from an accident as long **as a driver has obtained collision coverage on a personal automobile policy**. The policy has a \$2,500 deductible and a \$50,000 maximum for physical damage to the insured vehicle. Like any driver's personal auto policy, this policy is designed to step in regardless of fault.

How Does Contingent Comprehensive Coverage Work?

Similar to Lyft's contingent collision coverage, contingent comprehensive coverage is designed to cover physical damage to a driver's vehicle resulting from a non-collision event (for example, a fire, vandalism, a natural disaster, etc.) **as long as the driver has obtained comprehensive coverage on a personal automobile policy**. The policy has a \$2,500 deductible and a \$50,000 maximum for physical damage to the driver's vehicle. Like any driver's personal auto policy, this policy is designed to step in regardless of fault.

What Does UM/UIM Mean And How Does This Coverage Work?

UM stands for uninsured motorist and UIM stands for underinsured motorist. In the event of an accident during a Lyft ride with a driver who is uninsured or underinsured and is ultimately at fault for bodily injury, Lyft's UM/UIM coverage will apply for up to \$1M per incident. There is no deductible on UM/UIM claims.

When Do These Coverages Apply?

It depends on the coverage. During the time the Lyft app is on and available to accept a request, the contingent liability policy is in effect. The other three coverages are in effect from the time a driver accepts a ride request until the time the ride has ended in the app.

What States Are Covered By This Policy?

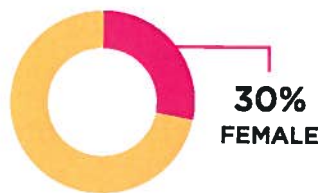
Our policy is available in all states in the U.S, except New York state.

A Welcoming Space

Women Across America Feel Safer With Lyft.

Lyft places a strong emphasis on safety. With our strict criminal background and driving record checks for drivers, GPS ride tracking, in-app feedback, 24-hour Trust & Safety team, and two-way rating system, it's no surprise that women across the country trust Lyft every month.

DRIVERS



PASSENGERS



Women leading at Lyft:

When making decisions that affect driver and passenger safety, women at Lyft are leading the way.

Jennifer Stuart

| Senior Manager, Trust & Safety

Tali Rapaport

| VP of Product

Kate Sampson

| VP of Insurance

Kira Wampler

| Chief Marketing Officer

Kristin Sverchek

| General Counsel

"Keeping women safe is a key focus, one that is at the forefront of every decision we make. We are constantly working to ensure every ride is a comfortable ride by providing comprehensive emergency support for our drivers and passengers at any time."

Jennifer Stuart, Senior Manager of Trust & Safety

Community **Solutions**

Lyft is a community-powered ridesharing platform. Through the Lyft mobile app, locals who need rides are connected with nearby neighbors who can provide rides. We believe every community deserves access to safe, reliable, and affordable transportation.

Transportation Deficit

Millions of Americans lack access to a car or have difficulty accessing public transit. Underserved individuals may include the elderly, people with disabilities, or those with low incomes.¹ Innovations like Lyft can help close the gap.

- Fewer than 50% of Americans report living within ¼ mile of a transit stop.
- The average American household spends roughly 18% of its income on transportation. Lower-income families spend as much as 33%.
- Studies show that people who live within walking distance of transit stops or are able to ride to them have a better chance of finding employment.
- Transit services rarely accommodate the atypical schedules of low-income employees working outside of the 9 a.m. - 5 p.m. commute pattern.
- Only 4% of the lowest paid workers report access to workplace flexibility, compared to 41% of the highest paid workers.²

63%

of Chicago Lyft rides start and/or end in areas underserved by existing transportation

2x

Lyft rides in the District of Columbia underserved areas have kept pace with the rest of the district, doubling since April 2014

Commitment to Change

Lyft is committed to continued development in underserved areas, and is guided by these core values:

1

Empowerment

Empower communities by providing an innovative platform centered around neighbors helping neighbors

2

Opportunity

Create new economic opportunities through ridesharing and increase overall transportation access

3

Partnership

Partner with local organizations representing underserved areas to advance their missions alongside ours.



Are you a community leader interested in partnering with Lyft?
Know a local organization or cause interested in expanding mobility
and economic opportunity in underserved communities?

Let us know at lyft.com/community-solutions

LYFT LINE

Lyft Line

Lyft Line is the latest evolution of the Lyft community-powered ridesharing platform that connects neighbors traveling in the same direction through a mobile-based application. Line is efficient, affordable, and scalable shared transit that comes to you.

Line Basics

In the US, vehicle occupancy on work commutes is the lowest in nearly 40 years¹ with over 76 % of commuters traveling by car alone.² The resulting road congestion wastes over 2.9 billion gallons of excess fuel, adds 56 billion pounds of greenhouse gases to the atmosphere, and results in 5.5 billion hours of productivity lost to traffic at an annual cost of \$818 to the average commuter.³

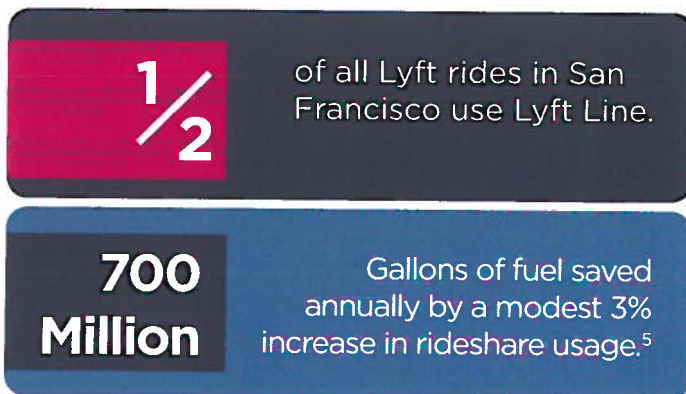
MIT researchers recently estimated that if NYC riders were willing to wait an extra five minutes per trip to pick up other passengers, almost 95% of trips could be shared and travel time could be reduced by more than 30%.⁴

Every day, 90% of Lyft rides in San Francisco have someone else taking the same trip within five minutes so we connected them and created a new way to ride.

How Lyft Line Works

1. Passengers input pick-up and drop-off locations and the Lyft app will match them with another passenger traveling in the same direction.
2. Because the drop-off destination is pre-set, Lyft Line calculates a flat fee up to 60% less than a private Lyft.
3. Passengers can enjoy the ride and chat members of their own community.

Highlights



1. Santos, A. et. al. (2009) U.S. DOT, Federal Highway Administration, National Household Travel Survey
2. U.S. Census, American Community Survey 1-Year Estimates (2013) S0802, Means of Transportation to Work by Selected Characteristics
3. Schrank, D. et al. (2012) Texas A&M Transportation Institute Urban Mobility Report
4. Santi, P. et al. (2014) Quantifying the benefits of vehicle pooling with shareability networks. III Proc. Natl. Acad. Sci. 37
5. Matute, J. & Pinceti, S. (2013) "Compensated and Real-time Rideshare" in Unraveling Ties to Petroleum California Center for Sustainable Communities at UCLA.

Lyft Access

Lyft expands transportation access. **We believe everyone can benefit from ridesharing innovation.**

Ridesharing allows people in our communities to get around conveniently and affordably, expanding independence for the elderly and thousands with disabilities. And Lyft has been designed with accessibility in mind:

"Of the nearly 2 million people with disabilities who never leave their homes, 560,000 never leave home because of transportation difficulties."

American Association
of People with Disabilities

- **Request a ride from wherever you are.** Real-time arrival estimates and alerts mean no difficult street hailing or uncertain wait times.
- **Voiceover capability** in the app makes it easy for those who are blind or have low vision to request a Lyft ride.
- **Cashless payments and ride summary emails** eliminate the possibility of blind or cognitively disabled passengers receiving incorrect change or unknowingly being charged.
- **All Lyft vehicles are accessible to individuals who can enter a standard vehicle with assistance**, and those using foldable wheelchairs who can transfer to a standard seat while drivers stow their devices in the back seat or trunk. Lyft drivers are more than happy to provide this assistance.
- **Lyft's anti-discrimination policy** strictly prohibits discrimination based on disability or the presence of service animals.

"Lyft gives people with Down syndrome and other intellectual and developmental disabilities additional transportation options, which enables them to become more independent. For people with disabilities, Lyft is a great resource and service."

Sara Hart Weir, President of the National Down Syndrome Society

Environmental Impact

Ridesharing delivers reliable transportation, reduced emissions.

Ridesharing is transforming mobility—Lyft is supporting a car-free lifestyle, reducing traffic congestion, and curbing air pollution with innovative features like:

Lyft Line matches riders with other passengers going in the same direction, enabling two or more parties to share a ride and save up to 60% on their fares. Launched in August 2014, Lyft Line now accounts for over 30% of Lyft rides in cities like San Francisco, resulting in higher vehicle occupancies and reduced vehicle miles travelled (VMTs).

Driver Destination allows drivers to set their own destination and pick up passengers along the way, earning extra money and taking cars off the road.

Lyft for Work enables employers to give workers Lyft credits for carpooling programs that complement public transit. For example, employers can tailor their Lyft service to connect employees with local rail or transit stops during commute hours.

Shared rides
make a big
impact



Lyft Line reduces
pollution, traffic,
and cost



Ridesharing
changes driving
behaviour



Ridesharing
complements
public transit



“Enabling people who were already driving somewhere to seamlessly pick up a passenger gets us one step closer to real-time, dynamic ride-sharing. This will not only help reduce the number of cars on our congested roads, it will also cut our oil demand and carbon pollution.”

Amanda Eaken

Deputy Director of Sustainable Communities, Natural Resources Defense Council



¹Matute, J. & Pincetti, S. (2013) “Compensated and Real-time Rideshare” in Unraveling Ties to Petroleum, California Center for Sustainable Communities at UCLA.

²Paolo Santia, Giovanni Restab, Michael Szella, Stanislav Sobolevskya, Steven H. Strogatz, and Carlo Rattia, *Quantifying the benefits of vehicle pooling with shareability networks*, Proceedings of the National Academy of Sciences, July 25, 2014

